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Record of Proceedings  
of the  
INTERNATIONAL MILITARY TRIBUNAL  
FOR THE FAR EAST

*Recd. ltr  
Nov 6.*

Court House of the Tribunal  
War Ministry Building  
Tokyo, Japan

The United States of America, the Republic of China,  
the United Kingdom of Great Britain and Northern Ireland,  
the Union of Soviet Socialist Republics, the Commonwealth of  
Australia, Canada, the Republic of France, the Kingdom of  
the Netherlands, New Zealand, India, and the Commonwealth  
of the Philippines

-Against-

ARAKI, Sadao; DOHIHARA, Kenji; HASHIMOTO,  
Kingoro; HATA, Shunroku; HIRANUMA, Kiichiro; HIRO-  
TA, Koki; HOSHINO, Naoki; ITAGAKI, Seishiro; KAYA,  
Okinori; KIDO, Koichi; KIMURA, Heitaro; KOISO, Kuni-  
aki; MATSUI, Iwane; MATSUOKA, Yosuke; MINAMI,  
Jiro; MUTO, Akira; NAGANO, Osami; OKA, Takasumi;  
OKAWA, Shumei; OSHIMA, Hiroshi; SATO, Kenryo; SHI-  
GEMITSU, Mamoru; SHIMADA, Shigetaro; SHIRATO-  
RI, Toshio; SUZUKI, Teiichi; TOGO, Shigenori; TOJO,  
Hideki; UMEZU, Youshijiro;

-Accused-

Official Court Reporters

Jack Greenberg, Chief  
Fred T. Abram  
James F. Barton  
Antoinette Duda  
Samuel Goldberg  
Robert B. Morse  
John J. Smith  
Daphne Spratt  
Elvira Whalen  
Julian Wolf  
Lorraine Yelden

25 OCTOBER 1946

I N D E X  
of  
WITNESSES

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I N D E X  
of  
EXHIBITS  
(none)

Friday, 25 October 1946

- - -

INTERNATIONAL MILITARY TRIBUNAL  
FOR THE FAR EAST  
Court House of the Tribunal  
War Ministry Building  
Tokyo, Japan

The Tribunal met, pursuant to adjournment,  
at 0930.

- - -

Appearances:

For the Tribunal, same as before.

For the Prosecution Section, same as before.

For the Defense Section, same as before.

The Accused:

All present except OKAWA, Shumie and  
MATSUI, Iwane who are represented by their  
respective counsel.

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(English to Japanese and Japanese  
to English interpretation was made by the  
Language Section, IMTFE.)



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1 MARSHAL OF THE COURT: The International  
2 Military Tribunal for the Far East is now in session.

3 THE PRESIDENT: Brigadier Quilliam.

4 BRIGADIER QUILLIAM: May it please the Tri-  
5 bunal, may I at this stage refer to a matter that was  
6 left open during Mr. Liebert's evidence in chief.

7 As shown in the transcript, at page 8467,  
8 the Tribunal desired the witness to give certain in-  
9 formation, namely, the totals of the currency re-  
10 ceived and issued by the Bank of Japan, as shown in  
11 exhibit 854-A. The exhibit does not disclose the  
12 amounts issued by the Bank, but if the Tribunal approves,  
13 the witness will now give the totals of the amounts re-  
14 ceived.

15 THE PRESIDENT: And issued?

16 BRIGADIER QUILLIAM: No, if it please your  
17 Honor, that information is not available so far. It is  
18 not disclosed in the book.

19 THE PRESIDENT: Well, let him give the figures,  
20 Brigadier.  
21  
22  
23  
24  
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LIEBERT

1 J O H N G R A N V I L L E L I E B E R T, called  
2 as a witness on behalf of the prosecution, re-  
3 sumed the stand and testified as follows:

4 BRIGADIER QUILLIAM: Witness, will you please  
5 give those particulars to the Tribunal?

6 THE WITNESS: The amount of currency, "Ha"  
7 type in denominations of gulden, totaled 62,364,000;  
8 "Ni" type military currency, in denominations of dol-  
9 lars and cents, 69,460,000; "Ho"- "Ro" or "Ho" type  
10 currency, denominations of pesos and centavos, total  
11 37,200,000. The document discloses that between the  
12 date in May and the 6th of December the totals for  
13 the three types of currency, 169,024,000.

14 THE PRESIDENT: May -- there are no issues?  
15 Yes, no issues.

16 THE WITNESS: The exhibit 854-A, which is  
17 an exhibit, as explained, of the ledger or account  
18 book kept by the Bank of Japan, did not disclose any  
19 issues. The account book did not disclose the issues.

20 THE PRESIDENT: There may be evidence later  
21 that such notes were in circulation. I cannot say.

22 Counselor KUSANO.  
23  
24  
25

LIEBERT

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## CROSS EXAMINATION

1 BY MR. KUSANO (Continued)

2 Q You stated yesterday that the figures given  
3 in SATO's address were exact according to your in-  
4 vestigations. How did you investigate these figures?

5 A Mr. Attorney, I think I stated yesterday that  
6 I believed the figures as stated in the speech referred  
7 to were reasonable according to my investigation. I  
8 had no reason, Mr. Attorney, for specifically pursuing  
9 that point any further, because I had assumed that a  
10 man in SATO's capacity would hardly misinform the  
11 public at a large gathering of this type.

12 Q Then you can give us no exact figures other  
13 than what was given in SATO's address -- SATO's testi-  
14 mony?

15 A The figures which are given in the speech  
16 disclose that SATO said at that time: "We spent  
17 forty per cent of our budget on the Chinese Incident  
18 and sixty per cent on armanent expansion."

19 Q Yes, that is what SATO said. But did you  
20 make no other investigation besides reading this  
21 speech of SATO?

22 A Only the over-all figures which I have --  
23 the over-all investigation which I have given before  
24 this Tribunal, showing the amounts of money which  
25



1 were funneled into the army and navy in the form of  
2 appropriations to the various -- to the two budgets;  
3 and I have shown certain information as to the amounts  
4 of money spent in the form of subsidizing particular  
5 industries, all of which is tied up with the general  
6 preparation of industries as I have heretofore stated.

7 Q May I ask you once again, quoting from  
8 SATO's address: SATO stated that aluminum -- that the  
9 war industries had been expanded seven or eight times  
10 what they had been before, but without giving any  
11 definite figures. Can you give us no further definite  
12 information other than this very indefinite statement?

13 BRIGADIER QUILLIAM: May it please the Tribunal,  
14 I am particularly reluctant to interrupt the cross-  
15 examination by Japanese counsel, but I do suggest that  
16 this matter cannot be carried any further than it has  
17 already reached.

18 THE PRESIDENT: If seven or eight times is  
19 really approximate, it is sufficient for our purposes.  
20 BY MR. KUSANO (Continued):

21 Q Then you have no further definite information,  
22 figures to give on this subject?

23 A Well, as you will recall, Mr. Attorney, I  
24 have traced various war industries in their expansion  
25 through the statement I have prepared. Certain of the



NOTE:

The attached pages are corrected  
pages and should be substituted for the  
corresponding pages in the record.

8 639 - 8975-

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"Army - China - Confidential.

"Instruction from the adjutant to the Vice-Director of the Army Ordinance Headquarters.

"By order I inform you that you are directed to have the prepared arms, stated in the 'Army-China-Confidential No. 3898, dated November 7, ' delivered to all troops at each place in accordance with the attached table.

"P.S. Its expenditure is to be paid out of the extraordinary military budget account.

"Army - China - Confidential No. 4004, November 11, Showa 16 /1941/.

"Army - China - Confidential.

"Instructions from the Adjutant to the Chiefs of the Staffs of the 16th, 55th, and 56th Divisions.

"By order I inform you that arms stated in the attached lists No. 1 and 2 are to be delivered as shown in the attached table.

"Army - China - Confidential - No. 4004 November 11, SHOWA 16 /1941/. (Sig.)

"Army - China - Confidential No. 10578 received by the War Ministry.

"Top Secret. Army Department in Imperial Headquarters. (Army)



1 "No. 409. Part 3.

2 "The notification to keep in secrecy the  
3 identification of the officers dispatched to French  
4 Indo-China.

5 "15 October 1941.

6 "The Chief Secretary of General Affairs of  
7 the Army Staff of Imperial Headquarters. Tadaichi  
8 Wakeratsu (Signature).

9 "To the Adjutant of the Army Ministry.  
10 Nawoichi Kawahara.

11 "The notification.

12 "To keep in secrecy the general plan for  
13 'Operation Ah', I request your deep consideration to  
14 keep in secrecy at present, by wearing civilian clothes,  
15 etc., the identification of the officers and the  
16 essential members of the staff of the Army Ministry  
17 who are to be dispatched to French Indo-China.

18 "This notification to be sent to the follow-  
19 ing offices, i.e., Army Ministry; Aviation Section of  
20 Army Ministry; Sea Transportation Headquarters of  
21 Army Ministry.

22 "Chart No. 1. Supplement sheets of the  
23 distribution of munitions kept by the Secretariat.

24 "The 16th Division.

25 "The 55th Division.

1 "The 56th Division.

2 "Army Ordnance Headquarters.

3 "Classifications of the distribution of  
4 munitions. Date of the distribution. Name of  
5 troops to be distributed. Remarks.

6 "'Jin' -- 'Bo'. 12th November. The 55th  
7 Division. The 56th Division.

8 "'Hei,' 'Ho,' 'He'. 13th November.  
9 The 16th Division.

10 "'Tei'. 15th November. The 55th Division.

11 "'Hei'. 15th November. The 16th Division."

12 I will read only the top part of this Chart

13 2.

14 THE PRESIDENT: It is now a quarter to  
15 3:00. We will recess for fifteen minutes.

16 (Whereupon, at 1445, a recess was  
17 taken until 1500, after which the proceedings  
18 were resumed as follows:)  
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2 appropriations to the various -- to the two budgets;  
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25 through the statement I have prepared. Certain of the



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1 expansions will far exceed seven or eight per cent.  
2 As I have pointed, the aluminum industry alone was  
3 started in 1935 and has an expansion of thousands of  
4 percentages. You must realize that this percentage  
5 will vary from industry to industry. There is no  
6 way that you can fix a mean to say that all industry  
7 was expanded seven or eight or any other per cent,  
8 unless you strike a mean average on the amount of  
9 dollars invested, which I have not done, of course.

10 Q Then it is a mistake to say that those  
11 industries were expanded from seven to eight times?

12 A It is a matter of opinion. I think it can be  
13 said to be reasonably accurate in certain industries,  
14 and it is way out of proportion in other industries.  
15 One cannot generalize particulars of this type.

16 Q You have made a reply concerning aluminum.  
17 What is your opinion concerning the manufacture of  
18 steel and of airplane production? Do you also believe  
19 that an increase of seven to eight times was shown?

20 A I have some very exact figures here on air-  
21 craft, which it might be interesting for you to see.  
22 I have here a document from the Japanese Government,  
23 which was submitted to me under the signatures of  
24 officials authenticating its veracity, showing the  
25 list of aircraft production by type and motors used

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1 in aircraft from the year 1930 to 1945. Army aircraft  
2 in 1930 had a production total, all types, of 150. In  
3 1941 army aircraft bodies alone had reached 3,787. As  
4 you see, there is involved considerably more than seven  
5 or eight times in expansion in army aircraft alone.  
6 The same thing is true with navy aircraft bodies. In  
7 1931 there were 223; in 1941, 2,080; the total of  
8 engines of all types, 338 in 1931; and 11,654 in 1941.

9 Q Has that document been presented as evidence?

10 A A general recapitulation of that document  
11 appears, I believe, in exhibit 840.

12 THE PRESIDENT: You asked for the information,  
13 counselor, and the witness is not confined to documents  
14 admitted in evidence in order to answer you.

15 Q Now, you have told us about aircraft produc-  
16 tion. What about steel production?

17 A I think steel --

18 THE PRESIDENT: You ought to think hard  
19 whether you really want these answers, and I remind  
20 you, the witness is not confined to documents in  
21 evidence in answering you. The information is al-  
22 ready in charts admitted in evidence. Probably the  
23 only effect of this is to emphasize points against  
24 the accused, and it is only fair to indicate that to  
25 them.



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1 MR. KUSANO: I conclude my cross-examination.

2 THE PRESIDENT: Mr. Blewett.

3 CROSS EXAMINATION (Continued)

4 BY MR. BLEWETT:

5 Q I would like your help, Mr. Liebert, in clear-  
6 ing up just a few matters here. I shall be as concise  
7 as possible, and if your answers are likewise we shall  
8 finish up very shortly.

9 Recalling to your attention exhibit 842,  
10 document 1522, there is a sentence quoted, reading:  
11 "Particulars in Framing a Program for Extension of  
12 Important Industries." Now, to what does that refer,  
13 and is there any significance in the fact that the  
14 heading is in quotations?

15 A Mr. Attorney, I didn't get the exact reference.  
16 I am looking in my notes for the quotation.

17 Q I think you will find it on the cover.

18 A Oh, yes. Excuse me. The cover.

19 Q That is right.

20 A This is simply the title of this document.

21 THE PRESIDENT: Is it your title or one you  
22 found at the document?

23 THE WITNESS: This is a translation of the  
24 document, as exact as possible.

25 Q Would not the quotation marks indicate that

LIEBERT

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1 it was taken from something else?

2 A I do not know why there were quotation  
3 marks around this particular title, but, as you will  
4 see from the face of the document itself, this is a  
5 Total War Research Institute document, which reproduced  
6 in 100 copies the other top-secret documents of the  
7 government.

8 THE PRESIDENT: Mr. Blewett, the IBM is not  
9 working.

10 It is working now. Go ahead.

11 Q I was going to call your attention to those  
12 words, "Reproduced by Total War Research Institute."  
13 Now, do you have the original from which this was re-  
14 produced?

15 A No, and I doubt that the original is in  
16 existence.

17 Q Well, of course, that is only an opinion on  
18 your case. Did you make a search for it?

19 A I made a very, very thorough search, not only  
20 I, myself, but the Intelligence Section of the United  
21 States Army, and it was only by their assistance that  
22 this document was uncovered. From my experience during  
23 the war I have noted that, at least in the United States,  
24 top-secret documents of the type of this plan are  
25 usually two copies only. As you can see from this



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1 reproduction, there were 100 copies reproduced by  
2 the Total War Research Institute, to be kept within  
3 the Institute. You, no doubt, know that the Total  
4 War Research Institute was created for the purpose of  
5 training senior officers and senior personnel in all  
6 the plans made theretofore by the government for the  
7 purpose of getting exact execution of those during  
8 time of war.

9 Q I was just about to ask you that question:  
10 if the Total War Research Institute was not a training  
11 school for students.

12 A I am advised that some of the highest ranking  
13 army, navy, and government officials were so-called  
14 students at the Institute.

15 Q I also intended to ask you if the words,  
16 "Disposition -- Keep within Institute," do not mean  
17 that that document was to remain in the Institute?

18 A My impression is that it means exactly that.

19 THE PRESIDENT: Why separate the contents  
20 from the paper? It is for us to interpret documents  
21 in any event. I said that twice yesterday.

22 MR. BLEWETT: Yes, sir.  
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1 Q Now, you quoted, Mr. Liebert, from this docu-  
2 ment on pages 1, 2, and 3. Do you or do you not, from  
3 your investigations, say that that paper is an official  
4 one?

5 A The certification of the method in which this  
6 document was acquired and the use to which it was put  
7 would indicate that it had an official standing. I  
8 think it is for others to determine the character of  
9 this document, as Mr. President just pointed out. I  
10 cannot make that decision.

11 THE PRESIDENT: Mr. Blewett, we have to  
12 determine whether the paper was so precious that it had  
13 to be kept in the Institute or whether the contents  
14 were so secret that they had to be retained there. The  
15 answer should be easy.

16 Q As an investigator, then, you can tell us  
17 where you got this paper and from whom, can you not?

18 A Yes. I secured this paper from Colonel  
19 Bethune of the United States Army Intelligence Service.

20 Q I call your attention to the certificate  
21 signed by TAKAHASHI on August 17, 1946. He refers  
22 therein to a book, "Progress for Mapping out a Program  
23 for Important Industry Extensions." Now, that has no  
24 month or date but it has the year 1941.

25 A That is correct. This document bears the



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1 date of reproduction 25 September 1941. As you will  
2 see, Mr. Attorney, from the index to the contents,  
3 it contains three parts, each of which is a separate  
4 plan or resume, two by the War Ministry and one by  
5 the Planning Board.

6 Q Well, now, you know about these matters but  
7 I want to know if this certificate pertains to document  
8 1522.

9 A Yes, it does. In the upper left hand corner  
10 the certificate says document 1522, IPS No. 1522.

11 Q Well, what rather puzzles me is that I see no  
12 connection between the certificate's reference and  
13 this document 1522.

14 A Well, for your information, Mr. Attorney,  
15 the certificate applies to this document. If you will  
16 analyse the substance of the words used in describing  
17 the document in the certificate and compare them with  
18 the substance of the words contained in the title of  
19 the document, you will see that they are substantially  
20 the same. You are, no doubt, familiar with the  
21 difficulties of translating the written Japanese  
22 characters into English, and the certificate as pre-  
23 pared by TAKAHASHI no doubt interprets those characters  
24 in different English words but in the same substance  
25 as the translation of the same characters as prepared

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1 by the people here in the International Prosecution  
2 Section. I account for it that way. I account for it  
3 that way.

4 Q Well, now, we have had considerable to  
5 digest here all week and we rely upon you, as an inves-  
6 tigator, to assure us that quotations from this docu-  
7 ment to this Tribunal, that that document is official.  
8 I am not quite satisfied with your explanation, but  
9 if that is what it is, that is it and we will take it.

10 THE PRESIDENT: Perhaps you would suggest to  
11 the witness where there is a substantial difference,  
12 Mr. Blewett, though I feel it isn't worthwhile wasting  
13 time on it.

14 MR. BLEWETT: Well, I felt the same way, sir.

15 Q Now, in the index to the contents, on the  
16 second page, of exhibit 842, there is a date of May 29,  
17 1937, with reference to a five-year plan. Now, you  
18 stressed throughout your report the five-year plan, so-  
19 called, of June 23, 1937. Now, in what way do you relate  
20 the alleged five-year plan of June 23, 1937, with the  
21 "Program of Important Industries" of May 29, 1937?

22 THE PRESIDENT: I notice the army's draft,  
23 which is part of it, is a tentative draft dated the  
24 10th of June, 1937, so it was still tentative in June.

25 MR. BLEWETT: I expect to reach that point, sir.



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1 Q Do you explain that, Mr. Liebert?

2 A Yes. They are two entirely different documents.  
3 The "Outline of the Five-Year plan for Production of  
4 War Materials," dated June 23, 1937, military secret,  
5 introduced as document 9002A, which I believe --

6 Q It is exhibit 841, if you are looking for that.

7 A Yes. -- exhibit 841, is a rather complete  
8 outline for the plan for the production of war materials  
9 and goes into considerable detail. As you will note,  
10 this document, exhibit 841, contains not only the general  
11 outline of policy but goes into very great detail with  
12 regard to specific industries like the arms industry,  
13 airplane industry, and so forth, and how it is planned  
14 to be converted and what their projected plans are  
15 and what should be realized in the execution of these  
16 plans. You will note that the other document, dated  
17 29 May 1937, is entitled, "Essentials of a Five-Year  
18 Program of Important Industries," and is more of an  
19 outline of the matter contained in the original program  
20 heretofore referred to.

21 THE PRESIDENT: Is there any difference  
22 between May and June in this regard, Mr. Blewett? I  
23 would like to feel sure that this cross-examination is  
24 worth while. Do you suggest that the difference bears  
25 on the existence of the document or on its character?

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1 MR. BLEWETT: Both on its character, sir, and  
2 on its probative value.

3 THE PRESIDENT: It may be possible to trip  
4 the witness up on some small point, so far it hasn't  
5 been possible to do so; but suppose you achieve that,  
6 you don't get anywhere.

7 MR. BLEWETT: If it please the Tribunal, it  
8 would seem to us that 841, the War Office five-year  
9 plan found in the War Office, had never been used by  
10 anyone. It is our contention, sir, that this document  
11 is the same as the war plans that we were discussing  
12 last week in the Soviet phase.

13 THE PRESIDENT: How can you prove the plan  
14 was acted upon except by showing what was done? The  
15 people acting on it don't say, "We are now acting  
16 under plan exhibit 841." They simply do things. We  
17 wouldn't expect to find written across the document,  
18 "This document is now being carried out," or, "This  
19 document has been executed." How do you suggest that  
20 it can be proved otherwise than in this way?

21 MR. BLEWETT: If the Court please, the plan  
22 that was used was part of this document, No. 842, but  
23 No. 3 part adopted in 1939. It is quite clear --

24 THE PRESIDENT: That would be January, 1939,  
25 nearly three years before Japan started the war, the



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1 war as it commenced at Pearl Harbor, I mean. \*

2 MR. BLEWETT: Sir, we may be mistaken but  
3 it looks very apparent that 841, the War Department  
4 draft, and 842, made up by the Institute, both remained  
5 in the places where they were made up throughout.  
6 Therefore, we don't believe, sir, that these two docu-  
7 ments should be used in an effort to show a preparation  
8 for war.

9 THE PRESIDENT: It had to remain a closely  
10 guarded secret, if we understand war as it is conducted  
11 today. There is internal evidence of that in the docu-  
12 ment itself, or in related documents.

13 MR. BLEWETT: May I just endeavor to clear  
14 this up, sir, with this witness for our own satisfac-  
15 tion and for the Court's satisfaction about these two  
16 documents?

17 THE PRESIDENT: I don't want to interfere.  
18 I hate doing so, Mr. Blewett. But I would like you  
19 to assure me we are not wasting time. I know the  
20 cross-examination is very difficult. The certificate  
21 shows this document was found in the cabinet files.  
22 BY MR. BLEWETT (Continued):

23 Q Under document 9022, exhibit 852, there are  
24 various communications. Now, you may have cleared  
25 that up this morning, but you will notice that the

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1 "Ha", "Ni," and "Ho" series were to be concluded part  
2 in October and the balance in November and December.  
3 Now, under document 9016, exhibit 854A, it appears  
4 that the 1941 military currency of the same identity  
5 was received by the Bank of Japan for every month ex-  
6 cept September, commencing with May. Now, how do you  
7 explain that?

8 A I can only say that the records, possibly,  
9 which I have and presented to the Tribunal here must  
10 be short with regard to a few communications but there,  
11 in my opinion, is no question that -- there is no ques-  
12 tion but some of these notes were printed and received  
13 by the Bank of Japan in May, as indicated in their  
14 account book. As you will note, these communications  
15 refer to specific orders. They say nothing about  
16 original or other orders which might have been, and  
17 undoubtedly were, issued for the preparation of  
18 currencies.

19 Let me call your attention, Mr. Attorney,  
20 to page 9 of communication 6, re "Ni" series, paragraph  
21 2: "1. Additional manufacture of currency according  
22 to denomination, quantity and value. Date of comple-  
23 tion, about one-half, 30 October."

24 Paragraph 3 on the same page says, re "Ho"  
25 series military currency: "1. Additional manufacture



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1 of currency according to denomination, quantity and  
2 value. Date of completion: about one-half, 20 November."

3 Paragraph 4 on the following page, re "Ro"  
4 series military currency: "1. Additional manufacture  
5 of currency according to denomination, quantity and  
6 value. Date of completion, 20 November."

7 That takes in all of them, "Ha," "Ni" and  
8 "Ro".

9 Q You have no documents pertaining to any  
10 earlier issue?

11 A The Bank of Japan account book refers to the  
12 receipt of "Ha" currency in May, 1941.

13 Q Who would you, from your documents there, hold  
14 responsible for this earlier issue, if there was one  
15 printed?

16 A Responsibility must be fixed by other people.  
17 I would assume that the order was executed. The persons  
18 giving the order would be responsible for the issuance  
19 of the order. I can go no further than that, Mr.  
20 Attorney.

21 Q I am trying to determine just what value this  
22 document has with regard to this bank ledger, but I  
23 will go on to something else. Never mind about that.

24 Now, I am advised by my Japanese colleagues  
25 that there was attached to document 9022A, exhibit 852,

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1 a memorandum which has not been placed in evidence.  
2 Do you know anything about that? The memorandum  
3 reads as follows, if you don't have it:

4 "It must be pointed out that, while the  
5 issuance of military notes in the past has been decided  
6 upon at the moment of their actual use, the present  
7 case is merely a preparatory measure in anticipation  
8 of unexpected emergency. That is why the matter is  
9 only submitted for decision by ministers directly  
10 concerned. In the eventuality of such notes being  
11 actually put to use it is to be formally reported to  
12 a cabinet conference."

13 THE PRESIDENT: Brigadier Quilliam.

14 BRIGADIER QUILLIAM: May it please the Tri-  
15 bunal, I respectfully submit that that document ought  
16 to be submitted to the Court. It is obviously in the  
17 possession of the defense.

18 THE PRESIDENT: We will insist on that, and  
19 also on knowing from what source it came.

20 MR. BLEWETT: I am advised, sir, that it was  
21 a part of the Japanese translation and I have a copy  
22 of it here.

23 THE PRESIDENT: If it is on the original  
24 document it is in evidence. But Mr. Liebert would  
25 rely upon an English translation, no doubt, so he



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1 probably cannot answer, but we will ask for an answer.

2 We will refer it to the Language Section.

3 We will recess now for fifteen minutes.

4 (Whereupon, at 1045, a recess was  
5 taken until 1100, after which the proceedings  
6 were resumed as follows:)

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1 MARSHAL OF THE COURT: The International  
2 Military Tribunal for the Far East is now resumed.  
3 BY MR. BLEWETT (Continued):

4 Q I believe I asked the witness if he had  
5 heard or saw or knew anything about that -- the  
6 memorandum.

7 A I have not seen an English copy of that  
8 memorandum and, of course, could not identify the  
9 Japanese because I do not read Japanese. If I re-  
10 call the memorandum, it supports the general state-  
11 ments contained in the communications.

12 Q From your investigation you are familiar  
13 with the third part of exhibit 842? And is not  
14 that dated 1939?

15 A That is the date. Yes.

16 Q Do you know whether that was the plan that  
17 was acted upon rather than the War Department plan  
18 and the plan of the Research Institute?

19 A Mr. Attorney, in my opinion all of these  
20 plans were executed. As you will note in reading  
21 through them, you will find similarities but dif-  
22 ferences in purpose. For instance, one is a -- you  
23 will note that the part three of exhibit 842, to  
24 which you refer, is the outline of the plan for the  
25 expansion of productive power, as drafted by the



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1 Planning Board but decided by the Cabinet confer-  
2 ence January 1939.

3 Q You testified yesterday that you did not  
4 believe the plan of June 23, 1937 had been passed  
5 upon by the Cabinet. Is not the third part of 842  
6 the only document you have that shows it has been  
7 approved -- such plan has been approved?

8 A The only document that I have resented  
9 which appears to have been decided by the Cabinet --  
10 I can only suggest that if it was the plan of the  
11 War Office it must have been approved by the War  
12 Office or the officials of the War Office. There  
13 is a distinction between the functions of the War  
14 Office and the functions of the Cabinet.

15 THE MONITOR: Will the court reporter  
16 read it over, please?

17 (Whereupon, the last answer was  
18 read by the official court reporter.)

19 Q This 841 was located in the War Office, you  
20 testified, is that right?

21 A You have the certificate attached to it  
22 which identifies it as IFS document 9002-A. That  
23 certificate discloses that this document was part  
24 of the official records and archives of the First  
25 Demobilization Bureau. I believe there is no

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longer a War Office.

Q I was going upon my recollection of your testimony. I am quite sure, although I may be not so sure as I think, that you did testify it was found in the War Office.

A So that there is no mistake about it, I mean this was a plan of the War Office. That is all.

Q Now, if the War Office plan, 841, was found in the War Office, and if part two of 842 was marked "A Draft and Preliminary," would it not be logical to conclude then that the 1939 plan was the one that was acted upon?

A One might as logically assume that the plan projected by the Planning Board was in execution of the outlines expressed by the previous plans of the War Office, inasmuch as they refer to the same matters.

THE MONITOR: Will the reporter read that?

(Whereupon, the last answer was read by the official court reporter.)

Q I want to ask you this: The third part of exhibit 842, which was the one you just referred to -- did that not pertain primarily to China?

A No, it did not. It included a plan for expansion of the productive power of China, as



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1 disclosed in table number two, at page 7. As you  
2 will note in subparagraph two of paragraph numbered  
3 one, on page 1, it is stated, "This plan is for the  
4 establishment of a plan for the expansion of the  
5 productive power of the major industries of our  
6 country, based on the policy for the establishment  
7 of a comprehensive plan for Japan, Manchoukuo and  
8 China."

9 THE MONITOR: Will the reporter read the  
10 answer, please?

11 (Whereupon, the last answer was  
12 read by the official court reporter.)  
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1 Q Can you point out to me any place in that  
2 document where Japan has made any preparations for  
3 war against America or Britain?

4 A In so many words, it does not appear in  
5 this document.

6 Q You have no doubt in your investigation  
7 heard about other five year plans, have you not?

8 A Yes, I have.

9 Q Do you know about the time the second Soviet  
10 Five Year Plan terminated?

11 A I do not recall, Mr. Attorney.

12 Q Would you accept my word that the first Five  
13 Year Plan originated in 1928, terminated 1932; the  
14 second started in '32 and ended in '37? Now, do  
15 you know whether or not the second Five Year Plan  
16 of the Soviet stressed armaments and industry?

17 A I don't know that.

18 Q Well, from your investigation you are no  
19 doubt familiar with the fact that the Japanese Five  
20 Year Plan was modeled upon the Soviet Plan, was it  
21 not?

22 A Not being familiar with the details of that  
23 so-called referred to Soviet Plan, I can't answer  
24 that question.

25 Q You made no research or have no papers in



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1 connection with any Soviet Five Year Plan, is that  
2 so?

3 A That is correct.

4 Q Can you point out to us from any part of  
5 your investigation where the so-called Preparation  
6 For War Plan considered or even thought of any war  
7 against America in 1937?

8 THE MONITOR: Will the reporter please  
9 read that?

10 (Whereupon, the last question was  
11 read by the official court reporter.)

12 A I cannot recall the words this plan was in  
13 for preparation for war against America any place in  
14 any of the documents I have presented here, but I  
15 have tried to point out a general preparation for  
16 war, and I can only -- I only know what happened as  
17 a matter of history.

18 Q Do you have any documentary evidence, or  
19 did your investigation reveal any ill feeling towards  
20 America prior to July 1940 when the Presidential  
21 embargo was enforced?

22 A I was not living in Japan in 1938, and I  
23 have made no special study of the public sentiment  
24 in Japan at that time.

25 Q I refer to your investigation in Japan and

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1 the information you got out here which you covered,  
2 as you say, very fully.

3 A I have confined my statement to production  
4 figures, plans, and facts.-- facts of a similar  
5 nature. I would not attempt to discuss at this time  
6 the political situation or the public feeling in  
7 Japan as it existed prior to the war.

8 Q I shall not press that point, but I am  
9 trying to find out from you what you know in your own  
10 mind from your investigation, but I will let that go.

11 Would it be possible, Mr. Liebert, for you  
12 to furnish us with the source of all the various  
13 acts, charts, graphs, reports, et cetera, comprising  
14 your statement?

15 Now, Mr. Liebert, just a moment. I am not  
16 asking you to give that to us now. I mean, will  
17 you furnish us with that?

18 THE PRESIDENT: Brigadier Quilliam.

19 BRIGADIER QUILLIAM: May it please the  
20 Tribunal, I suggest that is a most unreasonable ques-  
21 tion.

22 THE PRESIDENT: He is not authorized to do  
23 it, Brigadier. The request should be directed to  
24 the prosecution.

25 MR. BLEWETT: May I inquire from the



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1 prosecution whether the defense can be furnished  
2 with the various acts, and so on, referred to in the  
3 witness' statement so that we can have an opportunity  
4 of looking them over and examining them?

5 BRIGADIER QUILLIAM: May it please the  
6 Tribunal, if I have to answer that request now, it  
7 must be in this form: Any reasonable request for  
8 information will gladly be acceded to. I should  
9 certainly object, as I feel about the matter at the  
10 moment, to furnishing a copy of the Japanese law to  
11 the Japanese defendants or their counsel. I should  
12 also object to being required to furnish the source  
13 of a Japanese law which is quoted even by year and  
14 by number. I can only repeat, sir, that the prose-  
15 cution will gladly make available any information  
16 that could reasonably be required.

17 THE PRESIDENT: The matter is entirely one  
18 for the prosecution, subject to any application that  
19 may be made under the Charter which gives the Court  
20 power over documents.

21 MR. BLEWETT: That will take care of our  
22 problem, sir. Thank you.

23 BY MR. BLEWETT (Continued):  
24

25 Q What percentage of all essential commodities  
were utilized in war materials during the years 1937

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1 to '41?

2 A You say "all essential commodities," Mr.  
3 Attorney?

4 Q That is right.

5 A Well, I can give it to you for some of them.  
6 It appears rather completely as regards these indus-  
7 tries in the statement. I refer you to the chart  
8 on electric power consumption in Japan which is di-  
9 vided into basic war and war-supported industries.

10 Q Are you not able from your studies to give  
11 us an average figure for each year?

12 THE MONITOR: Will the reporter please  
13 read the previous answer?

14 (Whereupon, the last answer was  
15 read by the official court reporter.)

16 THE PRESIDENT: The need to speak into  
17 the microphone is becoming very obvious. We are  
18 wasting a lot of time with it because it is not  
19 being done.  
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1 I have made no overall figure so that I  
2 can state the exact percentage of all materials  
3 because the percentage, as I pointed out to the  
4 Japanese counsel, varies from industry to industry.  
5 You must also remember that many of these production  
6 figures in Japan as they relate to the use of materials  
7 for war and resources for war, and so forth, was a  
8 matter of absolute state secret. These documents  
9 were not published.

10 Let me call to your attention a law which  
11 was published in 1939, promulgated as law No. 25,  
12 1939 -- promulgated on March 25, 1939 -- as the law  
13 for safeguarding secrets of military material re-  
14 sources. I will read from an English translation  
15 of that law a few pertinent points to show you what  
16 I mean.

17 "Article 1. This law aims at the prevention  
18 of leakage of information to foreign nations concern-  
19 ing matters respecting the manpower and material  
20 resources which are to be employed for military  
21 purposes. (Inclusive as hereinafter understood  
22 of what is liable to be employed for military pur-  
23 poses.)

24 "Paragraph 1."--  
25

Q I think we understand what you mean, Mr.

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1 Liebert.

2 A You then appreciate the difficulty of  
3 answering your question from published facts and  
4 figures.

5 Q Well, that naturally interests me therefore  
6 in finding out from you from what sources you procured  
7 the various data to form the basis of your statement.

8 A Well, the documents which have been presented  
9 have certificates attached to them. Their origin  
10 is fairly obvious. As to the charts on production  
11 I have those sources and you indicated a moment ago  
12 you didn't want them read now, but they will be made  
13 available to you as Brigadier Quilliam suggested.

14 Q Did you make up these charts -- or maybe  
15 you call them graphs? I am referring to 43A.

16 A At what page is that?

17 Q 44.

18 A I personally did not make these graphs.  
19 I had them drawn by a competent draftsman in the  
20 employ of the Economic and Scientific Section on  
21 the basis of information supplied to him.

22 Q By you?

23 A Yes, and at my direction from the various  
24 officials in the Economic and Scientific Section.  
25 With relation to the specific chart on 43A on steel



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1 production and imports, I personally had many  
2 conferences with the Iron and Steel Control Assoc-  
3 iation and the newly formed Iron and Steel Council,  
4 securing this information from their files, had it  
5 analyzed by competent experts on steel and steel  
6 production. This information was compared with other  
7 data relating to import trade, data which we secured  
8 from the States, and data which was available here  
9 in Japan, and in every conceivable way checked to  
10 determine its accuracy.

11 THE PRESIDENT: This is unusual unless  
12 you can suggest specific errors, Mr. Blewett. It  
13 is really a waste of time.

14 MR. BLEWETT: I did not expect, sir, to  
15 go into it so deeply. All I wanted was an idea of  
16 how this whole thing was correlated by the witness.

17 Q I believe you testified, Mr. Liebert, on  
18 the Planning Board. Do you know whether or not that  
19 Board was purely advisory in character?

20 A I cannot believe that it was purely advisory  
21 when I see detailed plans for imports and exports  
22 and production, some of which I have here and offered  
23 to make available to Mr. Levin, on specific matters  
24 which they directed. It is my impression that the  
25 various Ministries concerned were the executive

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1 agents for the plans formulated by the Planning  
2 Board on the basis of information correlated therein.

3 Q Is it not indicated in your investigation  
4 that the Planning Board simply advised the Cabinet  
5 on various matters?

6 A Where advice ends and orders begin I do  
7 not know, but I can say this: That the plans form-  
8 ulated and passed on by the Planning Board were  
9 executed in fact and I have seen many results of that  
10 to check the authenticity of certain documents which  
11 have come to me for analysis.

12 Q Yesterday you testified on page 8611 of  
13 the record with regard to petroleum and the Planning  
14 Board. No doubt you recall that. Now I wonder  
15 whether you understood the exact situation as to  
16 the Planning Board in the economic life of Japan  
17 or not?

18 A Well, you can take a look at this plan I  
19 have before me here of the Planning Board in which  
20 it divides commodities into many categories; divides  
21 them into commodities to be used, "A, B and C" for  
22 military demand; then "C-12,13,14" and on up to 40,  
23 for civilian demand.  
24

25 Q We can agree with that, I think; but what  
was done with that plan you are reading about there?



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1       A     I am of the opinion that this plan was  
2     executed as completely as possible.

3       Q     I am asking you if you knew what happened  
4     to that plan before its execution or by whom was  
5     it executed?

6       A     I find it difficult to know exactly what you  
7     want of me, Mr. Attorney, but let us assume that this  
8     plan states it is desired to import one million tons  
9     of scrap, six hundred thousand tons from America,  
10    one hundred and fifty thousand tons from England, etc.  
11    When one examines the steel imports from those countries  
12    for the given period and they correspond to the  
13    amounts allocated by the Planning Board, I must  
14    assume that the plan was executed by someone. Since  
15    the importation of steel was handled through the  
16    Import Association I have outlined in my statement,  
17    I can assume that the import Association acted accord-  
18    ing to the plans of the Planning Board.

19       Q     We apparently have different ideas about  
20    that, so we are not getting any place with these  
21    questionings and I will go on to another question.

22       THE PRESIDENT: If you are starting out on  
23    a new line, Mr. Blewett, this is a convenient time  
24    to adjourn. We will adjourn until half-past one.

25               (Whereupon, at 1157, a recess was taken.)

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## AFTERNOON SESSION

The Tribunal met, pursuant to recess, at 1330.

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is resumed.

THE PRESIDENT: Major Moore.

MAJOR MOORE: Referring to document 9022-A, exhibit 852, the memorandum such as referred to by defense counsel is not found with the original Japanese document submitted in evidence.

THE PRESIDENT: Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, so far as we can ascertain, the copies of the original in Japanese which have been served on the defense do not contain the memorandum that my learned friend referred to.

THE PRESIDENT: Mr. Blewett.



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1 JOHN GRANVILLE LIEBERT, called  
2 as a witness on behalf of the prosecution, re-  
3 sumed the stand and testified as follows:

4 BY MR. BLEWETT (Continuing):

5 Q Mr. Liebert, I have been asked by one of my  
6 colleagues to inquire about a statement of yesterday  
7 referring to the Industrial Control Organization.

8 THE PRESIDENT: Before further cross-examina-  
9 tion, Mr. Blewett, we would like for you to tender  
10 that memorandum and tell us where you got it.

11 MR. BLEWETT: I shall tender the memorandum,  
12 if your Honor please, and explain that it was given  
13 to me by Japanese counsel with the explanation that  
14 the memorandum was attached to the original in the  
15 office and was copied therefrom. I was asked simply to  
16 make inquiry of the witness to ascertain if he had seen  
17 such memorandum or knew where it was located if it was  
18 still in existence.

19 THE PRESIDENT: What Japanese counsel ob-  
20 tained it, and from whom did he obtain it? That counsel  
21 had better come to the lectern and explain the position.

22 Dr. KIYOSE.

23 DR. KIYOSE: This document concerning mili-  
24 tary currencies, before being delivered to the Inter-  
25 national Prosecution Section, was in the care of the

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1 Japanese Finance Ministry. The counsel for the de-  
2 fendant KAYA had copied this memorandum down from the  
3 original as it was then attached -- to which it was  
4 then attached at that time. But because we found that  
5 this memorandum was not attached to the original of  
6 the document concerning military currency when it was  
7 submitted to this Tribunal, therefore we believe that  
8 either the Finance Ministry forgot to transmit the  
9 memorandum together with the document, or that the  
10 memorandum is now in the files of the IPS.

11 I wish to ask for the present location of  
12 this document, and to ask the Tribunal to order its  
13 presentation at a later date.

14 THE PRESIDENT: I suppose counsel for KAYA  
15 means the Japanese counsel, not Mr. Levin.

16 MR. BLEWETT: That is right, sir.

17 BRIGADIER QUILLIAM: May it please the  
18 Tribunal, I have already asked that the production  
19 of this document be made. We will certainly continue  
20 our efforts to obtain it. We believe it is not in  
21 the IPS Section. But since we have no knowledge of  
22 the memorandum, I must assume that we will have the  
23 assistance of the defense counsel concerned in tracing  
24 the document.  
25

THE PRESIDENT: Well, that will be our



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assumption also.

1 MR. BLEWETT: We shall render all help possible.

2 DR. KIYOSE: The counsel for the defendant KAYA  
3 whom I mentioned a few minutes ago is Counsel TAKANO.  
4 Counsel TAKANO and myself will continue all efforts to  
5 find the location of this document, and when we have  
6 done so we will ask for an order for its production.  
7

8 THE PRESIDENT: Yes, Mr. Blewett.

9 BY MR. BLEWETT (Continued):

10 Q Is it your understanding, Mr. Liebert, that  
11 the head of the Control Organization is determined by  
12 the Planning Board?

13 A Were you referring to the Control Association  
14 formed under the Key Industries Act?

15 Q The Industrial Control Organization, as I  
16 have it here. I thought perhaps you would be familiar  
17 with it. If you don't recall it, we will let it go.

18 A I recall many -- there are many types of  
19 industrial control. There are officials who are  
20 elected and nominated in different manners. I will  
21 have to know what you want.

22 Q I will look at the record and get the proper  
23 name and page.

24 You know, as you have testified, that the  
25 China Incident occurred in 1937. Are you aware from ..

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1 your investigation that China at that time was capable  
2 of mustering over an army of three million troops?

3 THE PRESIDENT: Any answer he would give to  
4 that question we would completely disregard, because  
5 we do not think he is an expert in that matter.

6 Q Did your study include the situation of  
7 armaments in Japan subsequent to War World I?

8 A By "subsequent to World War I," I assume you  
9 mean immediately following World War I. If so, no.

10 Q Exhibit 857 is a revision of plan for regu-  
11 lating supply and demand of essential materials for  
12 1938. Do you know if there is an original, and if so,  
13 do you have it?

14 A No, I have not produced an original.

15 I Q When were you engaged by the prosecution to  
16 undertake investigation preparatory to testifying in  
17 this case?

18 A I forget the exact date, Mr. Blewett; some-  
19 time early in May.

20 Q Was your assignment specifically to make  
21 investigation and correlate data with one objective  
22 in view?

23 A I was requested in a general way to determine  
24 the extent of preparation for war in the field of  
25 production and in the field of finance. I was further



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1 requested to set out such data as I had found in a  
2 comprehensive statement, which I have done, to present  
3 the matter before this Tribunal in as readily under-  
4 standable way as possible.

5 MR. BLEWETT: That is all, sir.

6 I believe that the defense has some further  
7 counsel with reference to further cross-examination.

8 If I might, sir, go back to that one question  
9 that remained unanswered, please?

10 Q That, Mr. Liebert, is the Major Industries  
11 Control Law, referred to by you on page 73. Now, is  
12 it your understanding that the head of that organiza-  
13 tion was selected by the President of the Planning  
14 Board or by the Minister of Commerce?

15 A The Major Industries Control Law, referred to  
16 in paragraph 94, page 73, was passed in August, 1931.  
17 I believe that the Planning Board was created by ordi-  
18 nance on May 17, 1937. The purpose of the Major Industries  
19 Control Law, as I have stated, was to allow the large-  
20 scale, heavily-capitalized industries to control them-  
21 selves under a mutual cartel arrangement. When such  
22 understandings were had between producers of important  
23 industries and affected the public welfare, these  
24 understanding were legally enforceable agreements.  
25 Pursuant to the type of understandings which were had

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1 among the industries, you can understand that the  
2 industries formed themselves into associations, more  
3 or less autoncmous within the association, self-govern-  
4 ing among themselves. They elected their own officials.

5 MR. BLEWETT: That is all, thank you.

6 THE PRESIDENT: Dr. UZAWA.

7 DR. UZAWA: Mr. President, owing to the  
8 absence of Mr. SAMMONJI, counsel for the defendant  
9 KOISO, his associate counsel, MIMACHI, Tsunchisa,  
10 will take his place, if it is agreeable to the Court.

11 THE PRESIDENT: He may take his place.

12 CROSS-EXAMINATION (Continued)

13 BY MR. MIMACHI:

14 Q In exhibit 480, almost all throughout this  
15 exhibit you have stated that measures for protecting  
16 industries were enacted with a view toward preparing  
17 for war. In exhibit 840, all throughout this exhibit  
18 you have appended critical remarks to the effect that  
19 the various laws and ordinances for the encouragement  
20 and protection of industry enacted by the government  
21 were for purposes of war; and you have quoted in part  
22 from laws and ordinances enacted by the government  
23 within the period of time you specified.

24 In studying these various laws and policies  
25 with all necessary references, did you carry out these



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1 investigations personally or did you rely on someone  
2 else's word, or did you quote from magazine articles  
3 and other articles on the subject?

4 THE MONITOR: The first part is not "in  
5 studying this," but "in making this remark" or "in  
6 testifying in this way, before doing that did you ..."  
7 and then it follows the same.

8 A The laws and ordinances and regulations which  
9 I have cited, I have read and digested myself and put  
10 them in the report as I understood them. The collec-  
11 tion of facts which appear, I have requested of the  
12 various official sources to make specific reports,  
13 which I analyzed and checked with other reports which  
14 I had made, and used certain information in that man-  
15 ner.

16 For instance, in the matter of the budget,  
17 I requested the Minister of Finance to produce the  
18 budget, and I got three separate budgets before I got  
19 what checked from other sources as being a true and  
20 accurate copy of what I had asked for. I commenced  
21 by taking certain informations from publicized  
22 journals in Japan, among them the Japan Yearbook.  
23 and in certain instances found it wholly unreliable  
24 because it didn't check with other information. In  
25 other instances, I went directly to the control

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1 associations, their files, and requested them to pro-  
2 duce certain records, which they and only they had  
3 in the accurate form. To try to get a complete and  
4 accurate picture, I read articles from newspapers and  
5 periodicals, economic magazines, and any source that  
6 would throw any light on this subject to clarify it.

7 Q Then, in studying these laws, did you study  
8 the reasons for their promulgation as attached, rea-  
9 sons for the promulgation of such laws, the actual  
10 social conditions existing at the time these laws were  
11 promulgated, and, as was often the case, important  
12 revisions made in some of these laws after their  
13 promulgation, and also whether some of these laws  
14 were promulgated but not actually executed?

15 THE MONITOR: Slight correction: After the  
16 actual condition at the time of this legislation  
17 being passed, there were many cases of important  
18 revisions after the promulgation. Did you study  
19 this point, what these changes were? And also,  
20 although the revisions were effected, some of them  
21 were not carried out into effect. These cases were  
22 quite often. Did you study that point also?

23 A I tried to give as complete a study to the  
24 situation with respect to the individual laws as was  
25 possible for me to do so.



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1 Q Then are you aware of the following fact,  
2 also. This is a point that often occurs in countries  
3 where the administration is bureaucratic. Because at  
4 that time it was emphasized that Japan was then in a  
5 period of great crisis, among bureaucrats there were  
6 some who didn't want to get behind the currents of  
7 the time and there were also those who tried to ride  
8 along with the currents of the time or at least to  
9 increase the importance of their own bureau.

10 THE PRESIDENT: That is an assumption of  
11 many facts and not a proper form of question. You  
12 must endeavor to make that long statement as it is,  
13 into a number of short, clear questions.

14 MR. MIMACHI: Mr. President, that was the  
15 reason for my question and I shall divide my state-  
16 ment up into short questions hereafter.

17 Q Did you discover as a result of your investi-  
18 gation that, because of what I have just said, many  
19 unnecessary extraordinary legislation was passed, as  
20 well as control laws?

21 THE PRESIDENT: Let him answer that.

22 A Unnecessary from what point of view? From  
23 the industrial point of view, or for what purpose? I  
24 am afraid I don't quite understand.

25 Q From the point of view of the encouragement

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of an increase in production.

1       A    I think there was a great deal of legislation  
2 passed to encourage production. I think I know what  
3 you mean. There was a considerable amount of ordinances  
4 and regulations of various kinds which were promulgated  
5 and on the books which, in my opinion, in certain cases  
6 they weren't enforced completely.

7       Q    Then, do you know that, because of such laws,  
8 at the time much criticism appeared, both in the news-  
9 papers and in public opinion, such as that these laws  
10 were arbitrary, that they were controls for appearance  
11 sake, or that they were mere paper plans?

12       THE MONITOR: Did you not discover this upon  
13 studying the matter, the problem?

14       A    I have seen some criticism in some articles  
15 which I have read concerning some of the government  
16 plans.

17       Q    Then, do you say that your investigation took  
18 all these factors into account and was a very complete  
19 and thorough investigation?

20       A    As thorough as I could make it, Mr. Attorney.

21       Q    I would like to point out some mistakes in  
22 your statement later, and will pass to another point.

23       THE MONITOR: Slight correction. I would  
24 like to point out some errors in your statement later,  
25



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1 but before that I would like to shift to another question.

2 THE PRESIDENT: Why not do it now?

3 MR. MIMACHI: From the point of view of the  
4 way my proof of cross-examination is made up.

5 Q Yesterday, in reply to a question from my  
6 learned colleague, Mr. Levin, whether the various plans  
7 you have testified to were -- what are the grounds for  
8 your statement that all these plans and policies were  
9 made for the purpose of preparing for the Greater East  
10 Asia War?

11 THE PRESIDENT: We have had his answer. We  
12 don't want it again.

13 MR. MIMACHI: (In English) Mr. President, I  
14 want to ascertain his reply at that time you know. I  
15 made a mistake in my memory so I want to ascertain that  
16 point before putting my question.

17 THE PRESIDENT: You had better speak in Japanese  
18 throughout. If you speak at one time in Japanese and  
19 another in English we will get very mixed, the inter-  
20 preters will.

21 Q According to my recollection, you then replied  
22 that there were various policies which were executed  
23 with the end in view of preparing for war and then  
24 later the Greater East Asia War broke out. I believe  
25 you replied thusly, but is my memory correct?

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1 THE MONITOR: Slight Correction: "You replied  
2 that various policies which can be taken as a preparation  
3 for war" -- that sentence is corrected.

4 A I don't recall my exact words but I do recall  
5 that Mr. President suggested that it was within the  
6 purview of the Tribunal to make those decisions and  
7 they would act upon the facts which I have presented  
8 here in the form of this statement and ancillary docu-  
9 ments.

10 Q But, judging from the heading of exhibit 840  
11 and from the general purport of the entire document,  
12 I can't help but conclude that your investigation --  
13 that you made this statement believing that these  
14 policies were in preparation for war.

15 A I do believe that.

16 Q Then, can you tell me why you believe that  
17 these plans and policies were in preparation for war?

18 THE PRESIDENT: Well, we treat him as an  
19 economist, not as a general, but if you want his answer,  
20 let him give it. Do you desire him to answer you? I  
21 won't prevent him.

22 MR. MIMACHI: I would like to ask that ques-  
23 tion because, unless I can understand his reason for  
24 so believing, I have no means by which to make a  
25 rebuttal.

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1           A   Well, I expect it is a question of judgment,  
2 but when I see a budget with ever increasing outlays  
3 for expenditures to the Army and the Navy, when I see  
4 the financial policy of a nation throwing all controls  
5 into the hands of the government and restricting civilian  
6 consumption over a period of years, when I see ever  
7 increasing stock-piles of critical materials which are  
8 basic to war industry, when I see the development of  
9 a heavy industry in Japan under direct government sub-  
10 sidies which is not based upon any natural resource  
11 capacity which the nation has, when I see an over-  
12 development of an industry which doesn't bring profit  
13 to a nation or to the people operating it, when I see  
14 legislation by the government directing these things,  
15 when I have before me plans by the War Department and  
16 by government offices indicating that these developments  
17 are for the purpose of increasing war potential --  
18 none of these being conclusions of my own but actual  
19 existing facts, -- logic has compelled me to accept  
20 the conclusion that there was preparation for war.

21           Q   My question was not whether these policies  
22 of the Japanese Government were executed, planned and  
23 executed, as a preparation for war, but specifically  
24 how you could reason that these plans and policies  
25 were directed toward the War of Greater East Asia.



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1 THE PRESIDENT: What is the difference? You  
2 might suggest any difference there might be.

3 MR. MIMACHI: May I give a simple example in  
4 order to illustrate my point?

5 THE PRESIDENT: Put it to the witness in the  
6 form of a question.

7 Q In this trial a common conspiracy concerning  
8 the Greater East Asia War is the -- has become the  
9 focal point of these proceedings. To prepare for the  
10 event of war, in view of the increasing tension in  
11 international relations, is not a crime.

12 THE MONITOR: Slight correction: To prepare  
13 for national defense, in view of the international  
14 situation, does not constitute a crime.

15 THE PRESIDENT: We don't treat the witness  
16 as an expert in law and, even if he were, he couldn't  
17 draw conclusions for us. Questions of law are for the  
18 Court, solely.

19 MR. MIMACHI: Then, Mr. President, does the  
20 Tribunal not consider that this witness' testimony is  
21 to the effect that these preparations were made with  
22 the Greater East Asia War in view?

23 THE PRESIDENT: All we treat him as is an  
24 economist and, perhaps, an accountant, to place before  
25 us facts and figures which he has ascertained as a

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1 result of the examination of persons and documents  
2 which he has stated he made; to assemble and classify  
3 these facts and figures.

4 MR. MIMACHI: In classifying such things I  
5 believe that it is necessary that some specific object  
6 be in view.

7 THE PRESIDENT: We will take what he places  
8 before us, consider what he has placed before us, and  
9 form our own conclusions as to what they mean. His  
10 purpose will be entirely outside the point.

11 MR. MIMACHI: Then I shall return to the  
12 question of the mistake made in the witness' statement.  
13 Paragraph 48 concerning ship building.

14 BY MR. MIMACHI:

15 Q Yesterday, Mr. Levin questioned you concerning  
16 the Japanese government's scrap and build program  
17 begun in 1932. Have you ever considered -- studied  
18 how it was that this program came into effect, was  
19 initiated?

20 A I have stated and quoted, I believe, from the  
21 original -- paraphrased from the original legislation,  
22 that it came into effect presumably to improve the  
23 character of Japan's shipping and to reduce marine  
24 casualties. I believe, in addition, that it was  
25 originally the intention of this legislation to assist



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1 the expansion of the ship building industry to provide  
2 foreign exchange in the form of service.

3 Q Then, are you aware of the situation, of the  
4 world situation concerning ship building and especially  
5 of the position of Japan in regard to ship building  
6 at the time?

7 THE MONITOR: Marine industry or marine situ-  
8 ation; marine industry; shipping situation.

9 A I am aware from my readings that in 1932  
10 Japan wished to stimulate her overseas carrying service  
11 because it was a profitable business for Japan.

12 Q Then do you know that in economic circles  
13 at the time, not only in Japan but all over the world,  
14 they were suffering from a great depression and there  
15 where no orders -- there were hardly any orders for new  
16 ships, and the ship building industry was on the point  
17 of being destroyed?

18 A During the depression a great many industries  
19 were nearly on the rocks. Ship building was no  
20 exception.

21 Q Then, do you not consider that the purpose  
22 of this plan was, instead of the expansion of ship  
23 building, was merely a means of staving off the  
24 collapse of that industry?  
25

THE MONITOR: And not expansion.

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1           A   Well, I don't know that I can draw any con-  
2 clusions as to what the purpose of the law was, or the  
3 purposes of the program, except to know that it was to  
4 improve the general condition of Japan's ships, which  
5 was necessary at that time, I think, if she was going  
6 to carry on an expanded overseas trade. I might even  
7 consider, Mr. Attorney, that in 1932 the building of  
8 new ships for Japan was good business.

9           Q   On what do you base that assumption? I have  
10 information at hand that tells me that some companies,  
11 in order to keep their employees employed, even carried  
12 on ship building at a loss.

13          A   Of course ship building was carried on at a  
14 loss. I am only trying to tell you in a few words  
15 that I have incorporated the reference to the fact  
16 that Japan built ships in 1932 to complete the picture  
17 of what happened in the ship building industry from  
18 1932 to 1941.

19          THE PRESIDENT: I remind you, counsel, that  
20 it is for the Court to draw conclusions from the  
21 materials supplied by the witness to the Court, and  
22 you would help us most by pointing out those errors you  
23 say you have discovered.

24               We will recess for fifteen minutes.

25               (Whereupon, at 1445, a recess was taken



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1 until 1500, after which the proceedings were  
2 resumed as follows:)  
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MARSHAL OF THE COURT: The International  
Military Tribunal for the Far East is now resumed.

BY MR. MIMACHI (Continued):

Q Then, may I understand that the first to  
the fourth scrap and build programs had no connection  
with preparation for war; these programs just exist-  
ed as such and had no connection with the war -- with  
preparation for war; may I understand it that way?

A I find no evidence that these ships or  
that these programs were instituted for the purpose  
of building ships for war; and ships subsequently  
were very useful, but the first evidence I find was  
in the plan of 1937.

MR. MIMACHI: The defense will prove when  
its case begins that this program was initiated for  
unemployment relief and other purposes and that  
England herself was a forerunner in this kind of  
thing.

Q Next, paragraph 50: In the first part of  
this paragraph it is stated that the Shipbuilding  
Industry Law (Law No. 71) was promulgated April 5,  
1939. You said that you studied laws when here  
yourself.

THE MONITOR: The laws which you quoted.  
"Here" is omitted.



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1       Q (Continuing) This law, Law No. 71, which  
2 was promulgated April 5, 1939 is not called by this  
3 name. I ask for an explanation from the witness.

4       A By what name is it called, and from what  
5 book are you quoting?

6       THE PRESIDENT: If you want to correct it,  
7 you must quote from an official copy of the statute.

8       Q It is in all legal books in Japan. This is  
9 the law for the financing of capital for the building  
10 of ships and for the subsidizing of losses.

11       THE MONITOR: Guaranteeing losses.

12       THE PRESIDENT: Now, this is the difficulty:  
13 You are quoting from a publication in Japanese, no  
14 doubt. Probably the quotation will be of consider-  
15 able length, and the prosecution will need time to  
16 check what you have said or quoted. However, you had  
17 better proceed.

18       Brigadier Quilliam.

19       BRIGADIER QUILLIAM: May it please the Tri-  
20 bunal, it did appear to me that what counsel said  
21 was in substance to the same effect as the material  
22 contained in the paragraph -- the description of the  
23 law referred to by the witness.

24       THE PRESIDENT: The difference may be in  
25 the two Japanese versions of the same document or

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1 two English versions of the same document in Japan-  
2 ese.

3 BY MR. MIMACHI (Continued):

4 Q There is another law promulgated in 1939,  
5 Law No. 70. This is called the Shipbuilding Enter-  
6 prise Law. What you have stated in paragraph 50 is  
7 a composition of these two laws. It is as if you had  
8 composed the contents of these two laws together and  
9 stated them in one paragraph. I wish to point out  
10 by this that, although you stated you have made a  
11 very thorough investigation of this law, there are  
12 many mistakes of a similar nature throughout your  
13 statement.

14 THE MONITOR: Slight correction: Not  
15 "thorough investigation of this law" but, "although  
16 you have stated that you made thorough investigation  
17 of all laws, I wish to point out that there are many  
18 similar mistakes in many other places of your testi-  
19 mony.

20 THE PRESIDENT: Does the composition of the  
21 two laws you referred to convey a wrong impression?  
22 You called it "composition." Perhaps "amalgamation"  
23 would be better.

24 MR. MIMACHI: I only wish to point out this  
25 as an illustration of the inadequacy of the investi-



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1 gations made by the witness.

2 THE PRESIDENT: Well, it is utterly futile  
3 for that purpose. You will not attack his credit  
4 effectively in that way. You must point out that  
5 he has made mistakes, and that would not be one.

6 BY MR. MIMACHI (Continued):

7 Q This law provides that -- there were provi-  
8 sions for the encouragement of shipbuilding, for  
9 instance, the sanctioning and providing of subsi-  
10 dies and loss indemnification, thus according special  
11 privileges to the shipbuilding industry. Have you  
12 ever studied whether these provisions were actually  
13 executed or not? According to my investigations,  
14 these provisions were never put into effect.

15 THE MONITOR: Never applied.

16 A We both know that the law was on the books.  
17 We both know that shipping developed as a result of  
18 the war according to a plan. I assume that the law  
19 was effective because we have recorded facts that  
20 subsidies for shipbuilding were paid, and I can only  
21 assume they were paid pursuant to this law. In order  
22 that there might be a clear exposition on this point,  
23 we might refer to the Sangyo Setsubi Eidan which was  
24 created in early 1942 as a result of legislation in  
25

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1 1941. This law was likewise passed to stimulate the  
2 building of ships. According to the plan which I  
3 have cited, the shipbuilding was to increase by one-  
4 third, and these were the mechanical-legal measures  
5 which would allow that to happen or cause it to  
6 happen.

7 Q You have stated that it was established  
8 following a law in November, 1941 and that upon its  
9 establishment the government participated directly  
10 in the building of ships.

11 THE MONITOR: Immediately.

12 Q (Continuing) Is that so?

13 A That is so. That happened in 1942, after  
14 the war. I only referred to Sangyo Setsubi Eidan to  
15 show that there were several laws at this period al-  
16 most all of which can be treated as wartime legisla-  
17 tion effecting shipbuilding. I have also brought  
18 before this Tribunal a document which was sanctioned  
19 by the Cabinet which disclosed that shipbuilding was  
20 to cease because of the lack of money during this  
21 period in which the shipbuilding law would possibly  
22 be in effect, which might have had something to do  
23 with the curtailment of the planned building of ships  
24 during that period before the advent --

25 At any point, I made reference to the Ship-



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1 building Industry Law in 1939 to complete the pic-  
2 ture of preparations for building of ships in an-  
3 ticipation of war.

4 Q Then, do you know that this law which was  
5 promulgated first in 1941 was revised in June of  
6 1942 and as a result of this revision the government  
7 was unable to participate in building of ships?

8 BRIGADIER QUILLIAM: May it please the  
9 Tribunal, I submit that question is wholly irrele-  
10 vant and cannot be helpful to us at all.

11 THE PRESIDENT: Most of the cross-examina-  
12 tion has been irrelevant and wholly useless.

13 The objection is upheld.

14 BY MR. MIMACHI (Continued):

15 Q Next, I call your attention to paragraph  
16 90. Here you have stated that licensed companies  
17 were allowed to effect an increase in capital even  
18 before original capital on the company was fully  
19 paid up, and also that they were allowed to issue  
20 debentures up to twice the paid up capital without  
21 security, and you called these "special privileges."  
22 Why is it a special privilege that an increase in  
23 capital can be effected before the original capital  
24 is fully paid up?

25 A When any business matter is set forth in a

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1 law of this kind, I call it "special" if it is  
2 particularly referred to and not a general statute  
3 for business matters.

4 Q Then, are you aware of a revision of the  
5 Commercial Code, Law No. 72, promulgated the same  
6 year as this Aircraft Manufacturing Law?  
7

8 A I do not have that section of the Code be-  
9 fore me, and I cannot say what it contains now by  
10 reference to number.

11 Q The Commercial Code is the general statute  
12 relating to business in general.

13 A I am familiar with the Commercial Code.

14 Q By this revision in the Commercial Code it be-  
15 came no longer necessary to pay up original capital  
16 before effecting an increase in capital.

17 THE PRESIDENT: Brigadier Quilliam.

18 BRIGADIER QUILLIAM: May it please the Tri-  
19 bunal, that is a very useful piece of evidence for  
20 the prosecution, but I do not think it is worth our  
21 having it at the expense of the time we are spending  
22 on these irrelevant matters.

23 THE PRESIDENT: It is quite irrelevant and  
24 quite immaterial. The objection is upheld.  
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1 MR. MIMACHI: I made my statement in order  
2 to prove that this was not a special privilege. I  
3 have similar questions on two other points but in  
4 view of the President's ruling I shall omit them.

5 THE MONITOR: "Other two points," not "two  
6 other."

7 THE PRESIDENT: If they are questions of  
8 the same import, then if objection is taken the  
9 objection will be upheld in each case.

10 BY MR. MIMACHI (Continued):

11 Q Next I shall go to the passage -- section --  
12 concerning electric power, paragraph 4 -- paragraph 6.  
13 Have you made any investigation concerning the reasons  
14 why the Electric Power Control Law was promulgated in  
15 March, 1938?

16  
17 BRIGADIER QUILLIAM: May it please the  
18 Tribunal, the explanation is surely given in that  
19 part of the statement which immediately precedes the  
20 reference that has been made by my learned friend.

21 THE PRESIDENT: Counsel should read those  
22 introductory observations.

23 MR. MIMACHI: I have read but the words,  
24 "completely totalitarian basis," seem to show that  
25 their purpose was simply to put the electric power  
industry on a totalitarian basis. The real purpose

1 of this law was not so. That is why I am asking the  
2 witness now whether he is aware of any other reasons.

3 A At the moment I can think of none that I  
4 have not expressed in this statement.

5 Q Are you aware that the control of the  
6 electric power industry was effected in England also  
7 around 1924 and 1925?

8 A I don't know about that.

9 Q Then do you not also know that given impetus  
10 by this English law, authorities as well as public  
11 opinion -- a section of public opinion -- had begun  
12 to consider a draft for the rationalization of the  
13 electric power industry which would insure a cheap  
14 and plentiful supply of electric power?

15 THE PRESIDENT: That question is based on  
16 the assumption that the preceding question was answered  
17 in the affirmative and it was not. It is not neces-  
18 sary to put these questions in cross-examination in  
19 order to prove them later in the course of giving  
20 evidence for the defense, if there is such evidence.

21 MR. MIMACHI: The defense will endeavor to  
22 prove that on its own case.  
23

24 This concludes my cross-examination. We  
25 defense counsel feared that the prosecution when it  
called this witness as an actual witness, instead of



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22 prove that on its own case.  
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25 defense counsel feared that the prosecution when it  
called this witness as an actual witness, instead of

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1 simply producing the documents listed in the witness'  
2 statements as evidence, that--

3 THE PRESIDENT: There is no need to make any  
4 comment to that effect.

5 Major Furness.

6 CROSS-EXAMINATION (Continued)

7 BY MR. FURNESS:

8 Q Mr. Liebert, according to page 8617 of the  
9 record, you testified yesterday that after Japan went  
10 off the gold standard for the third time in 1941, the  
11 yen was pegged to the pound sterling at a value of  
12 one shilling, twopence. You continued: "It remained  
13 there until 1939, when the yen was pegged to the  
14 United States dollar for a short period." In referring  
15 to the year 1941, did you intend to refer to the year  
16 1931, Mr. Liebert? In other words, you have stated  
17 that from 1941 until 1939 the yen was pegged to the  
18 pound sterling.  
19

20 A 1931, Mr. Attorney.

21 Q You meant 1931, is that correct?

22 A That is correct.

23 Q Can you tell us the value of the yen in terms  
24 of United States dollars in 1931, approximately -- the  
25 approximate figure -- was it about forty-nine cents?

A I can't give you the exact figure on that at



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1 the moment, but it was approximately somewhere in  
2 forty cents.

3 Q Would you say it was not a little over forty-  
4 nine cents?

5 A I can't be exact on this point, Mr. Furness.  
6 I can give it to you from 1937. I have this information  
7 before me but when it was listed at an average of  
8 twenty-eight to twenty-three.

9 Q Perhaps you can investigate and give us the  
10 figure on Monday. In 1936 was it about a little over  
11 twenty-eight cents?

12 A Twenty-eight cents was an average.

13 Q Between 1936 and 1941 it decreased still  
14 further in value, did it not? You can refer to any  
15 notes that you have if you desire to do so.

16 A I have before me a copy of the Japan Yearbook  
17 at page 323-4 giving foreign exchange rates. I am  
18 trying to find the one. It says here in relation to  
19 the dollar the average for 1937 was 28.72, and in  
20 May of 1941 on the Tokyo open market it was 23.438.

21 Q And what was it in 1940?

22 A The average for 1940 was 23.438.

23 Q So that during those later years the pur-  
24 chasing power of the yen had greatly decreased, had  
25 it not?

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1       A     It decreased to the extent of the increase  
2 in prices and the depreciation in the value of the  
3 currency. During that period which we have just  
4 traced it was about five cents on the open foreign  
5 exchange market but within Japan it remained fixed  
6 at a pound sterling, for certain purposes at twenty-  
7 three cents. I think you will find as the money  
8 increased on the market and the prices went up,  
9 the purchasing power of the yen decreased.

10       Q     So that as a result of the increase in  
11 prices and in the depreciation of value of the yen  
12 it would be necessary to spend more yen to buy the  
13 same amount in goods, would it not?

14       A     That is right. That follows any inflationary  
15 policy that is stimulated by the government.

16       Q     And that would account in part at least for  
17 the increased budget and expenditures during those  
18 later years?

19       A     To a certain relative degree, yes. It would  
20 account for part of it.

21       Q     I refer to page 116 of your statement which  
22 is exhibit 840.

23             THE MONITOR: Mr. Furness, could you give us  
24 the paragraph number so that we can find the Japanese  
25 section?



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MR. FURNESS: Paragraph No. 145.

1 Q (Continuing) In that paragraph you set  
2 forth the table listing fiscal year, total budget,  
3 total of War and Navy budgets--

4 THE PRESIDENT: It is paragraph 146.

5 MR. FURNESS: Paragraph 146.

6 Q (Continuing) Could you tell us how the  
7 budget in Japan is prepared and when?

8 A That is a big order, but--

9 Q Just the high points. When was it prepared,  
10 for one thing?

11 A The budget itself is usually prepared in  
12 the year preceding the time when the money is needed  
13 to be made available for the various governmental  
14 departments requiring the expenditures.

15 THE PRESIDENT: Is there any difference  
16 between Japan and any other country?

17 THE WITNESS: No substantial difference that  
18 I am aware of, Mr. President.

19 Q Prepared at the end of the preceding fiscal  
20 year on estimates submitted by government departments,  
21 is that correct?

22 A It usually takes a good portion of the pre-  
23 ceding year for the Budget Bureau to prepare a budget.  
24 It is quite a job.  
25

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1           Q     But the final completion of the job is at  
2 the end of the preceding fiscal year, is it not?

3           A     That is correct. It is then submitted to  
4 the Diet and passed as a law and appropriations are  
5 made to the various branches accordingly.  
6

7           THE PRESIDENT: Is there much further cross-  
8 examination?

9           MR. FURNESS: There are more after I get  
10 through. I do not expect to be very long. I may  
11 extend beyond four o'clock, however.

12           THE PRESIDENT: Nothing is to be gained by  
13 going on for the next two or three minutes. We will  
14 adjourn now until half-past nine on Monday morning.

15                   (Whereupon, at 1556, an adjourn-  
16 ment was taken until Monday, 28 October 1946,  
17 at 0930.)  
18

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